In the case of contract employees--who are rehired annuitants--under our 90% rule, the compensation must be based on the hourly rate of the difference between 90% of their previous salary and their annuity.

In the case of rehired annultants as independent contractors or consultants, the fee level, when set on a daily basis, may range up to \$138 per day, i.e., daily rate of top step of a GS-15 (\$36,000 per annum). However, in the interests of fairness when similar tasking is involved based on Agency experience, the daily fee level should be held to a figure comparable to that earned per day, exclusive of annuity, under Contract Employee status.

Normally true consultants are used quite infrequently and, therefore, may be paid at higher fee levels, up to \$138 per day, than outlined above for Independent Contractors.

12/31/74